

SENATE State Admin
Exhibit No. 4
Date 4-8-2011
Bill No. HB 632

Amendments to House Bill No. 632
3rd Reading Copy

For the Senate State Administration Committee

Prepared by Jaret Coles
April 8, 2011 (11:59am)

1. Page 7, line 15.

"COORDINATION SECTION. Section 3. Coordination

instruction. If House Bill No. 316 and [this act] are both passed and approved and if both of these bills contain a section that amends 15-35-108, then sections amending 15-35-108 are void and 15-35-108 must be amended as follows:

"15-35-108. (Temporary) Disposal of severance taxes.

Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) The amount of 12% of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.

(3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Beginning July 1, 2012, any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

(4) The amount of ~~1.27%~~ 1.143% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be ~~appropriated~~ used for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(6) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be ~~appropriated~~ used for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(7) The amount of [5.8% through ~~September~~ June 30, 2013,

and beginning ~~October~~ July 1, 2013, the amount of] 2.9% must be credited to the coal natural resource account established in 90-6-1001(2).

(8) After the allocations are made under subsections (2) through (7), ~~\$250,000~~ \$225,000 for the fiscal year must be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

(9) (a) Subject to subsection (9)(b), all other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state.

(b) The interest income from \$140 million of the coal severance tax permanent fund that is deposited in the general fund is statutorily appropriated, as provided in 17-7-502, on an annual basis as follows:

(i) \$65,000 to the cooperative development center;

(ii) \$625,000 for the growth through agriculture program provided for in Title 90, chapter 9;

(iii) ~~\$1.275~~ \$1.031 million to the research and commercialization state special revenue account created in 90-3-1002;

(iv) to the department of commerce:

(A) \$125,000 for a small business development center;

(B) \$50,000 for a small business innovative research program;

(C) \$425,000 for certified regional development corporations;

(D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman; and

(E) \$300,000 for export trade enhancement. (Terminates June 30, 2013--sec. 5, Ch. 459, L. 2009.)

15-35-108. (Effective July 1, 2013) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) ~~The~~ Beginning July 1, 2013:

(a) ~~the dollar amount of equal to 12% of coal severance tax collections in fiscal year 2013~~ is allocated to the long-range building program account established in 17-7-205-;

~~(3)(b) The~~ the dollar amount of equal to 5.46% of coal severance tax collections in fiscal year 2013 must be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Beginning July 1, 2012, any unreserved fund balance at the end of

each fiscal year must be deposited in the general fund.

~~(4)~~(c) The the dollar amount of equal to 1.27% of coal severance tax collections in fiscal year 2013 must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated used for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

~~(5)~~(d) The the dollar amount of equal to 0.95% of coal severance tax collections in fiscal year 2013 must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund;

~~(6)~~(e) The the dollar amount of equal to 0.63% of coal severance tax collections in fiscal year 2013 must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated used for protection of works of art in the state capitol and for other cultural and aesthetic projects.

~~(7)~~(f) The the dollar amount of [5.8% through September 30, 2013, and beginning October 1, 2013, the amount off] equal to 2.9% of coal severance tax collections in fiscal year 2013 must be credited to the coal natural resource account established in 90-6-1001(2); and

~~(8)~~(g) After after the allocations are made under subsections (2)(a) through ~~(7)~~ (2)(f), \$250,000 for the fiscal year must be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

(3) (a) Except as provided in subsection (3)(b), the separate dollar amounts calculated pursuant to subsections (2)(a) through (2)(g) must be increased or decreased each year by the change in the consumer price index, as defined in 15-30-2101, for the preceding year.

(b) (i) Except as provided in subsection (3)(b)(ii), if the amount of revenue collected in any fiscal year pursuant to this chapter is less than the amount collected in fiscal year 2013, the amounts to be credited pursuant to subsections (2)(a) through (2)(g) revert to the amounts credited in fiscal year 2013 but reduced by the percentage by which the amount of revenue collected under this chapter in the current fiscal year differs from the amount of revenue collected in fiscal year 2013.

(ii) If any of the revenue allocated under subsections (2)(a) through (2)(g) is dedicated to the payment of principal and interest on bonds, the amount dedicated to the payment of the principal and interest may not be reduced but must be paid from the account or fund specified for the payment. If the account or fund from which the principal and interest are required to be paid does not have sufficient funds to fully pay the principal and interest, the amount remaining to be paid must be reallocated from the other accounts and funds by proportionately reducing the amounts credited to the other accounts and funds pursuant to subsections (2)(a) through (2)(g).

~~(9)~~(4) (a) Subject to subsection (9)(b), subsections (4)(b)

and (5), all other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state respective trust funds for the public employees' retirement system defined benefit plan provided for in 19-3-103, the sheriffs' retirement system provided for in 19-7-102, the game wardens' and peace officers' retirement system provided for in 19-8-102, and the teachers' retirement system provided for in 19-20-102 in the proportion that the unfunded actuarial liability of each of the systems bears to the sum of the unfunded actuarial liabilities of all four systems.

(b) If any of the retirement systems listed in subsection (4)(a) is funded on an actuarially sound basis, as defined in 19-2-409, the revenue to be credited to the retirement systems pursuant to subsection (4)(a) must be allocated proportionately to the systems that are not funded on an actuarially sound basis.

~~(b)~~(c) The interest income from \$140 million of the coal severance tax permanent fund that is deposited in the general fund is statutorily appropriated, as provided in 17-7-502, on an annual basis as follows:

- (i) \$65,000 to the cooperative development center;
- (ii) \$1.25 million for the growth through agriculture program provided for in Title 90, chapter 9;
- (iii) \$3.65 million to the research and commercialization state special revenue account created in 90-3-1002;
- (iv) to the department of commerce:
 - (A) \$125,000 for a small business development center;
 - (B) \$50,000 for a small business innovative research program;
 - (C) \$425,000 for certified regional development corporations;
 - (D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman; and
 - (E) \$300,000 for export trade enhancement.

(5) If the amount of coal severance tax revenue credited to the retirement systems under subsections (2) through (4) exceeds the amount needed to fund all of the retirement systems listed in subsection (4)(a) on an actuarially sound basis, as defined in 19-2-409, the excess amount must be credited to the state general fund. (Terminates June 30, 2019--secs. 2, 3, Ch. 459, L. 2009.)

15-35-108. (Effective July 1, 2019) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) The Beginning July 1, 2013:

(a) the dollar amount of equal to 12% of coal severance tax collections in fiscal year 2013 is allocated to the long-range building program account established in 17-7-205-;

~~(3)~~(b) The the dollar amount equal to of 5.46% of coal severance tax collections in fiscal year 2013 must be credited to

an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Beginning July 1, 2012, any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

~~(4)~~(c) The the dollar amount of equal to 1.27% of coal severance tax collections in fiscal year 2013 must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated used for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

~~(5)~~(d) The the dollar amount of equal to 0.95% of coal severance tax collections in fiscal year 2013 must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund-;

~~(6)~~(e) The the dollar amount of equal to 0.63% of coal severance tax collections in fiscal year 2013 must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated used for protection of works of art in the state capitol and for other cultural and aesthetic projects.

~~(7)~~(f) The the dollar amount of equal to 2.9% of coal severance tax collections in fiscal year 2013 must be credited to the coal natural resource account established in 90-6-1001(2)-; and

~~(8)~~(g) After after the allocations are made under subsections (2)(a) through ~~(7)~~(2)(f), \$250,000 for the fiscal year must be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

(3) (a) Except as provided in subsection (3)(b), the separate dollar amounts calculated pursuant to subsections (2)(a) through (2)(g) must be increased or decreased each year by the change in the consumer price index, as defined in 15-30-2101, for the preceding year.

(b) (i) Except as provided in subsection (3)(b)(ii), if the amount of revenue collected in any fiscal year pursuant to this chapter is less than the amount collected in fiscal year 2013, the amounts to be credited pursuant to subsections (2)(a) through (2)(g) revert to the amounts credited in fiscal year 2013 reduced by the percentage by which the amount of revenue collected under this chapter in the current fiscal year differs from the amount of revenue collected in fiscal year 2013.

(ii) If any of the revenue allocated under subsections (2)(a) through (2)(g) is dedicated to the payment of principal and interest on bonds, the amount dedicated to the payment of the principal and interest may not be reduced but must be paid from

the account or fund specified for the payment. If the account or fund from which the principal and interest are required to be paid does not have sufficient funds to fully pay the principal and interest, the amount remaining to be paid must be reallocated from the other accounts and funds by proportionately reducing the amounts credited to the other accounts and funds pursuant to subsections (2) (a) through (2) (g).

~~(9)~~(4) (a) All Subject to subsections (4) (b) and (5), all other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state respective trust funds for the public employees' retirement system defined benefit plan provided for in 19-3-103, the sheriffs' retirement system provided for in 19-7-102, the game wardens' and peace officers' retirement system provided for in 19-8-102, and the teachers' retirement system provided for in 19-20-102 in the proportion that the unfunded actuarial liability of each of the systems bears to the sum of the unfunded actuarial liabilities of all four systems.

(b) If any of the retirement systems listed in subsection (4) (a) is funded on an actuarially sound basis, as defined in 19-2-402, the revenue to be credited to the retirement systems pursuant to subsection (4) (a) must be allocated proportionately to the systems that are not funded on an actuarially sound basis.

(5) If the amount of coal severance tax revenue credited to the retirement systems under subsections (2) through (4) exceeds the amount needed to fund all of the retirement systems listed in subsection (4) (a) on an actuarially sound basis, as defined in 19-2-402, the excess amount must be credited to the state general fund."

{ Internal References to 15-35-108:

2-17-805x	17-7-205x	17-7-502x	17-7-502x
22-2-301x	22-2-304x	22-2-321x	23-1-108x
76-15-530x	82-4-244x	90-6-1001a in bill	}"

Renumber: subsequent sections

- END -